

percent—in some cases quite a bit above 40 percent.

I am very troubled by the comments of my colleague regarding PEPS and Pease because they are hidden in the marginal tax increase that affects millions of Americans, including thousands of Iowans. We have 32,906 Iowans that are hit by the Pease part of the Tax Code on their returns. And we have 14,000—almost 15,000—Iowans that are hit by what we call the PEPS part of the Tax Code on their returns.

If somebody tells me that these are tax cuts for the millionaires, let me tell you, I know that we don't have 32,900-plus, or 14,900 millionaires in my State of Iowa.

So we are talking about camouflaging the Tax Code to raise the marginal tax rate on a lot of middle-income Americans.

That was done in the 1990 tax bill. Starting this year, under the 2001 tax bill, these are gradually going to be phased out.

I think it is truth in taxing, truth in packaging, that if you have a marginal tax rate of 35 percent, it ought to be a marginal tax rate of 35 percent. And you shouldn't remove a lot of exemptions from a certain number of people to raise it up to 40 or more percent. If you want to tax people that high rate of taxation, you ought to have the guts to do it.

We took those camouflage things out of the Tax Code because we wanted a marginal tax rate of 35 percent which was transparent, with no hidden additional taxes.

Now it is said that we are trying to benefit millionaires through this, when 33,000 and 15,000 people—that would be 48,000 people in my State—are being hit by those taxes.

To listen to my colleagues, you would think that PEPS and Pease was paid only by millionaires. Nothing could be further from the truth. PEPS and Pease hit millions of families, two-income families that are struggling to pay their mortgage, as most Americans do, struggling to send their children to college, as most families do, or people who want to contribute to their churches and charities, as most middle-income Americans do.

In fact, the families hit by PEPS and Pease are very often the same families hurt by the AMT that my colleague was expressing so much concern about.

PEPS and Pease is bad tax law. It is dishonest tax law. It complicates the Tax Code. It hurts families and discourages charitable giving. It is bad tax law that needs to be shown the door.

We did that in the 2001 tax bill, truth in taxing, and somebody is finding fault with it. It isn't a millionaire tax. Keeping PEPS and Pease is a "Full Employment for Accountants Act" because of that complicated Tax Code, and the people who have to deal with it are going to hire more accountants to accomplish the goal that we have.

We have heard from many Senators today, singing the old song that the

problem of the deficit before us, the budget deficit, is because we cut taxes. The tax cuts that have brought about our economic growth and created millions of jobs is good policy. I don't expect anybody to accept Senator GRASSLEY, the Senator from Iowa, making that statement. There is no one with better credibility on economic and tax policies than Chairman Greenspan. And he has made it very clear that the 12 quarters of economic growth that we have had, creating 4.6 million new jobs, and a higher rate of growth than we had even during the 1990s—and most of my Democrat colleagues would think the 1990s was the best economy you could ever have. But in fact, the economic growth of the last 12 quarters is higher than the average growth we had during the previous administration. Chairman Greenspan said that the tax cuts are responsible for this growth.

To get back to the reality of deficits, it is caused by record spending. It is done by Republican Congresses or Democratic Congresses, whether we have a Democratic President or a Republican President. Spending beyond our means has caused our budget deficit problem.

Because of the tax cuts, revenues are way up—record highs projected.

Chairman Greenspan gives Congress credit for the tax cuts of 2003 bringing about the best economic growth we have ever had and which has resulted in \$270 billion more coming into the Federal Treasury from income taxes in 2005 than we had in 2004; in fact, so much beyond projection that we had \$70 billion more coming in throughout 2005 than we even thought we would have coming January 1, 2005.

The answer is not to raise taxes and hurt our economy. The answer is to do something on the spending side of the ledger.

We can say, after the vote in the House of Representatives this very day by a 2-vote margin, they passed our budget reconciliation bill, saving \$39.6 billion over the next 5 years that Congress would have otherwise spent if we had not passed that measure. We didn't get any help from the other side of the aisle on getting this budget reconciliation through.

That came from the fiscal responsibility of people on this side of the aisle.

Whether it is tax cuts, spending cuts, tax increases, whatever the issue might be, if you listen to your people in town meetings—and I only have the opportunity to listen to Iowans in my town meetings because I don't represent anywhere else in the country—I know I don't have people coming to me and saying: I am undertaxed, tax me more. But I surely have people come to my town meetings and saying: You guys are responsible for your spending there in Washington, DC. Get your spending down.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for quorum call be rescinded.

The PRESIDING OFFICER. Without objection, so ordered.

MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

IRAQ

Mr. STEVENS. Mr. President, I ask unanimous consent that the attached Wall Street Journal article, "Iraq's Future, Our Past," be printed into the RECORD. This article was written by Mr. Rastislav Kacer, Mr. Petr Kolar, Mr. Janusz Reiter and Mr. Andras Simonyi, respectively, the Slovak, Czech, Polish and Hungarian Ambassadors to the United States.

I applaud the Ambassadors' leadership and the work of the Visegrád Group, a partnership of their four countries. Emerging out of a shared history of dictatorship, these Central European countries strive for cooperative and democratic development. They deeply understand the challenges of an emerging democracy but champion its ultimate rewards. Their vision and experience are strong examples for the country of Iraq and they stand ready to lend a helping hand.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Dec. 16, 2005]

IRAQ'S FUTURE, OUR PAST

(By Rastislav Kacer, Petr Kolar, Janusz Reiter, and Andras Simonyi)

When it comes to tyranny, we believe we can offer some personal experience. After all, it was only a short while ago that our countries emerged from Soviet oppression. During the decades of dictatorship, our peoples' attempts to restore freedom and democracy were crushed. Who would have thought in 1956 in Hungary, in 1968 in Czechoslovakia, or in 1980 in Poland, that we could get rid of the dictatorial regimes in our lifetimes and shape our own future?

The memories of tyranny are still alive in the minds of many Czechs, Hungarians, Poles and Slovaks. We also remember the challenges we faced early in our democratic transition. It is a testament to the resilience of our peoples that we are where we are now—members of NATO and the European Union, and strong allies of the U.S. We got here by believing in the transformational power of democracy and a market economy. But we needed others to believe in us, too. We could not have made it alone. We needed the perseverance and support of Western democracies for freedom finally to arrive.

The attainment of our immediate goals of stability and prosperity could have made us complacent. It has not. We feel that as free and democratic nations we have a duty to help others achieve the security and prosperity that we now enjoy. That is why we